

# OIL CHANGING TIMES

THE BI-MONTHLY PUBLICATION OF THE AUTOMOTIVE OIL CHANGE ASSOCIATION • SEPTEMBER 2003

## AOCA ENLISTS CONGRESSMAN PETE SESSIONS' SUPPORT OF SSDE APPLICATION PROCEDURES

**R**epeated stonewalling on the part of the Environmental Protection Agency to establish notice and application procedures for Service Station Dealer Exemption candidates at waste oil Superfund sites forced AOCA to ratchet up its efforts to a new level.

This summer, AOCA Executive Director Steve Christie expressed the Association's concerns via letter to U.S. Representative Pete Sessions (R-TX 32nd), who serves the district in which AOCA is located. Coincidentally, Sessions also is chairman of the Results Caucus, a coalition of Congressmen committed to curing problems of waste, fraud and error in the federal government.

Christie related the repeated failure of EPA's Office of Site Remediation Enforcement to draft notice language and application criteria and rebutted the organization's feeble excuses, including their most recent objection that notification would violate Paperwork Reduction Act requirements.

Rep. Sessions responded and invited Christie to meet with him July 8 in his Dallas office. "The meeting proved productive, and Sessions offered to work with AOCA to get fast lube rights recognized," said Christie.

To follow up, AOCA's entire board of directors met July 17 in Sessions' Washington, D.C. office to fully inform Sessions and his staff of SSDE application procedural issues. AOCA explained that the SSDE is a public policy exemption intended to protect environmentally responsible

automotive service facilities that collect and manage do-it-yourself used oil. The fast lube industry alone collects over a million gallons of DIY used oil annually, AOCA stated, but EPA keeps coming up with ways to keep the exemption out of their reach. Tucker Anderson, Sessions' legislative director and counsel, assured AOCA that his office would move forward on the issue once Congress reconvenes.

Later the same day, AOCA sponsored a well-attended reception on Capitol Hill, according to Christie.

In AOCA's letter of appreciation to Congressman Sessions following the board visit to Washington, D.C., Steve Christie summarized the Association's plight. "EPA's almost total lack of recognition of the exemption has been frustrating our association and several other groups for many years. It would appear to be a simple matter to include an application process and exemption criteria in original notice letters that go to Potentially Responsible Parties; but not so with the agency in question. However, we are confident that now, with your assistance, the many small businesses that we represent will finally get the relief that was intended in that 1986 Superfund amendment."

**Continued on page 2**



**US Representative Pete Sessions has pledged to assist AOCA in moving EPA to formalize SSDE application procedures. Sessions (right) met with AOCA Executive Director Steve Christie in Dallas in July.**

### UNDER THE HOOD

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## SESSIONS' SUPPORT continued from pg 1

Christie and AOCA policy advisor, Joanna Johnson, are now working with Sessions' staff to develop a plan of action to achieve the desired results. Members will be kept informed as AOCA monitors this important matter.

"With an ally on Capitol Hill, we're finally seeing some light at the end of this tunnel," Christie said. ■

### CALL TO ACTION: AOCA MEMBERS RESPOND!

AOCA extends a huge thank you to members who responded to our legislative call-to-action concerning clarification and enforcement of the Service Station Dealers Exemption. In just a few days, **660** contacts were made with United States legislators in 31 states through the Advocacy Program on AOCA's web site. A statistical breakdown of contacts made follows: 136 Senate and 524 House members; 349 Democrats, 306 Republicans, and 5 Independents.

The response was excellent. The flip side is, however, that legislators in 19 states may still be in the dark about the need for SSDE notification and application procedures. No email contact was made during AOCA's most recent call-to-action to legislators in the following states (although, we don't know how many legislators were contacted by phone or paper mail): Alabama, Alaska, Arizona, Colorado, Connecticut, Delaware, Hawaii, Idaho, Kentucky, Maine, Minnesota, Montana, North Dakota, Pennsylvania, Rhode Island, South Dakota, Utah, Wyoming, and West Virginia. Fast lube owners and operators, please contact elected officials in these states.

It takes only seconds. Visit [www.aoca.org](http://www.aoca.org) and let your voice be heard!

## AOCA DECLARES INDEPENDENCE FROM FAULTY GF-4 PROCESS

By Joanna L. Johnson, AOCA Policy Advisor

**O**n August 11 in Dallas, a groundbreaking meeting took place between the automotive service sector, represented by the Automotive Oil Change Association (AOCA), and the automobile manufacturers, represented by the Alliance for Automobile Manufacturers (AAM). Due in large part to AOCA's pivotal role in causing the delay of GF-4 motor oil introduction, for the first time in the history of the Clean Air Act-related motor oil upgrade process, the auto manufacturers recognized the need to consult the service sector.

And it only makes sense to contact AOCA because, after all, if you're serious about ensuring consumer compliance with new motor oil standards, no other group has more influence over oil changes than the fast lube industry. Yet GF-4 follows a series of hard line changes made by ILSAC without even a nod toward the obvious implementation challenges at the service level, namely product liability protection, adequate distribution, and consumer education. Sound conflicted? Read on. AOCA has uncovered the source of this industrial schizophrenia and has a plan to correct it.

According to representatives of AAM, including General Motors' Mike McMillan, the auto manufacturers previously believed that neither service sector assistance nor consumer education campaigns were necessary to ensure the use of new motor oil products because consumers never deviate from their owners' manuals. Owners' manuals, they explained, now direct consumers to use only motor oil with the API starburst symbol. With the advent of GF-4 oil, ILSAC proposes to yank the starburst from GF-3, making it a non-starburst oil that will be rejected by all manual-loving consumers. The tone of the explanation was "and that's that." AOCA board members thereafter explained to AAM that their belief regarding consumer behavior had no basis in reality

and would ultimately result in the failure of their proposed GF-4 implementation plan if not addressed.



The experience of the fast lube industry, particularly over the past three years, proves that consumers will frequently reject a higher priced product whether or not it is specifically recommended in their owners' manuals. For instance, many consumers rejected – and continue to reject – GF-3 oils because of their higher cost. Current projections show GF-4 motor oil will be significantly more expensive than its predecessor.

AOCA board members asked AAM why fast lube customers would want to pay so much more for a GF-4 oil change when: a) their vehicles don't require it; and b) there is no proof that the oil will work in their vehicles, let alone improve the general function or positively impact emissions and fuel economy. The manufacturers had no answer. They couldn't come up with anything because, short of forcing consumers into GF-4 by eliminating their oil purchasing options, there is no good reason for current vehicle owners to buy GF-4 motor oil.

AOCA raised these issues 16 months ago. We asked for testing of a representative sample of the existing vehicle fleet if ILSAC intended GF-4 for backward application. They didn't do it. We asked for a consumer education campaign. They didn't create one and are only now beginning to fully appreciate why it's necessary. We asked for an effective distribution plan to avoid the train wreck that was GF-3. No response.

We also expressed concern about the potential for increased consumption when Ford began recommending backward use of 5W20 oil where owners' manuals had previously specified 5W30. We asked for test results demonstrating that 5W20 would not

put consumers at risk for increased consumption. Ford refused to show us anything or acknowledge the risk. At AOCA's meeting with AAM, AOCA asked for assurances that the Ford approach with 5W20 oil did not signal a trend for manufacturers to vary viscosity grades for backward application of GF-4. They gave us no assurances other than stating that General Motors had no intention of doing so.

Interestingly enough, Mr. McMillan indicated on the record that it was common knowledge that backward use of 5W20 would result in increased consumption. But the devil is still in the details and the details are still in the test data claimed proprietary by the auto manufacturers. AOCA is now in the process of commissioning the appropriate tests to demonstrate, once and for all, the increased consumption risk with backward use of 5W20.

The official ILSAC proposal for GF-4 motor oil places the burden of product liability squarely on the shoulders of the oil industry. AOCA has already requested a formal meeting with the oil industry representatives of ILSAC where we will reiterate the service sector's need for: a) adequate testing representative of the current vehicle fleet; b) if testing is not provided, then written acknowledgement to consumers that risks associated with use of GF-4 oil will be borne by the manufacturers, not the service sector; c) creation and execution of a consumer education campaign regarding the benefits of GF-4; and d) creation and execution of an effective distribution plan.

Then AOCA will go back to the Environmental Protection Agency. And Congress.

Even if the various factions within ILSAC ultimately fail to address the service sector's requests, the fast lube industry still has a plan of action. It's very simple. You do not have to use GF-4 motor oil for every oil change. It is the customer's decision. The auto manufacturers may have forgotten that basic principle, but AOCA never will. AOCA is taking every available step to make sure that consumers still have choices in a competitive market. ■

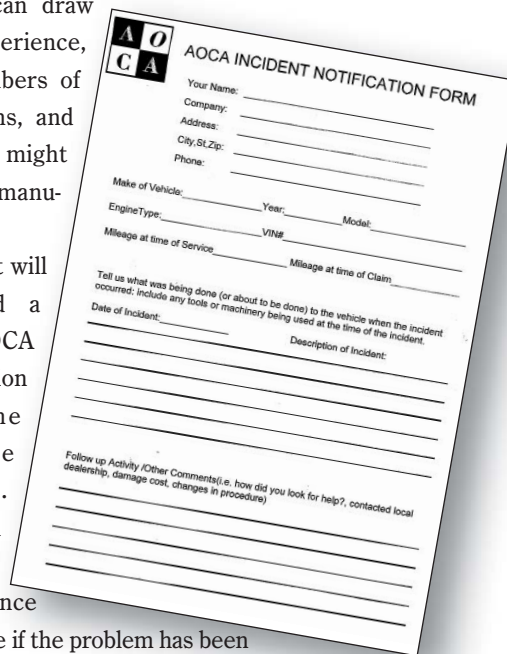
## New Database Will Track Fast Lube Damage Claims

**H**ave you got problems with plastic dipsticks breaking or with stainless drain plugs stripping out aluminum pans? How did we know...because, you're not the only one! And now, you'll know, too, because AOCA is going to begin tracking fast lube damage claims and archiving them in a searchable online database – so you can draw from others' experience, alert fellow members of potential problems, and track trends that might indicate vehicle manufacturing defects.

Here's how it will work. Download a supply of AOCA Incident Notification Forms from the AOCA website (see diagram). Whenever you receive a damage claim, 1) reference the database to see if the problem has been reported before, and 2) then file a report on it – either by fax or by mail (see fax number and mailing address in sidebar at right).

The Incident Notification Form asks for the following information: vehicle make, year, model, engine type, VIN#, mileage at time of service and mileage at time of claim; date and description of incident; and follow-up activities/comments. Please submit claims on typical fast lube-related items only. In other words, this is not the place for problems with brake master cylinders.

Once AOCA receives your report, a technical panel will evaluate it to determine if it has universal relevancy to fast lubes. If it meets the established criteria, the report will be added to our database. In a short time, members will be able to search all submissions online by vehicle or by damage category. ■



**AOCA INCIDENT NOTIFICATION FORM**

Your Name: \_\_\_\_\_  
 Company: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City, St, Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_

Make of Vehicle: \_\_\_\_\_ Year: \_\_\_\_\_ Model: \_\_\_\_\_  
 Engine Type: \_\_\_\_\_ VIN#: \_\_\_\_\_  
 Mileage at time of Service: \_\_\_\_\_ Mileage at time of Claim: \_\_\_\_\_

Tell us what was being done (or about to be done) to the vehicle when the incident occurred: include any tools or machinery being used at the time of the incident.  
 Date of Incident: \_\_\_\_\_ Description of Incident: \_\_\_\_\_

Follow up Activity / Other Comments (i.e. how did you look for help?, contacted local dealership, damage cost, changes in procedure)  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

## OIL CHANGING TIMES

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# ORLANDO 2004

## Don't Miss the Magic!

AOCA Convention & Fast Lube Expo

April 17-20, 2004

Wyndham Orlando Resort

Orlando/Orange County Convention Center

## Sneak Preview: An Early Look at What's Being Planned

**W**e're still seven months away, but AOCA wanted you to know its 2004 Annual Convention & Fast Lube Expo in Orlando, Florida is no Mickey Mouse event...oh wait, yes it is!

You'll find all the traditional reasons to come – an extraordinary marketplace for fast lube professionals, hard-hitting educational events, peer-to-peer networking – along with the extraordinary magic of the world's most popular vacation destination. Here's a peek at early convention plans:

### FEATURED GENERAL SESSION SPEAKERS

#### Mark Victor Hansen

*The Power of Focus*

Sunday, April 18

12:30 – 1:30 p.m.



Mark Victor Hansen, the co-author of the widely successful *Chicken Soup for the Soul* series, has influenced society's top leaders and the general public on a global scale. His new book, *The One Minute Millionaire: A Path to Enlightened Wealth*, is destined to inspire the creation of one million new millionaires this decade. He is an enthusiastic crusader of what's possible and is driven to make the world a better place.

#### James A. Ray

*Positioning Yourself  
to Own Your Market*

Monday, April 19

11 a.m. – Noon



Many times the greatest advances in business and personal success are made by taking a step back – practicing the basics and then continuing to build from a strong foundation. James Ray, who served as a master consultant with AT&T School of Business and as a leading trainer with Stephen Covey Leadership Institute, will reinforce foundational principles and teach you the keys all high achievers utilize for consistent results – keys that guarantee performance.

#### Terry Fleck

*The Attitude Virus*

Tuesday, April 20

8-9:15 a.m.

9:30-10:45 a.m.



Attitudes are contagious...is yours worth catching? High job performance is directly attributed to a positive attitude. A bad attitude weakens your ability to maximize your potential. If your attitude needs adjusting, Terry has an action plan for you! A native North Dakotan who's spent 26 years in the radio and television industry, he is a full-time broadcaster, a public speaker, consultant, the General Sales Manager and a partner for the Pro Radio Group.

## AOCA'S "COAST TO COAST" GRAND PARTY

Disney-MGM Studios

Monday, April 19, 2004

Get ready for an evening of Show Biz entertainment, from New York to California!

Beginning with an energetic street festival in the Big Apple, you'll experience the tastes and attractions "Native New Yorkers" have in store for you, including a DJ spinning Top 40 tunes, photo ops with Disney characters, a galactic journey on the Star Wars "Starspeeder," and the hysterical hijinks of Jim Henson's Muppets. Then, it's off to Sunset Boulevard for the glitz, glamour and excitement of "Vintage Hollywood."

Surrounded by the sights, sounds and personalities of Tinseltown in the 1930s, you will interact with its quirky residents while enjoying a dessert buffet and music that will rock your socks off. As you stroll down the streets of yesteryear, you'll have time to experience two of the greatest thrill rides in the world – Rock 'n' Roller Coaster starring Aerosmith and the *Twilight Zone Tower of Terror*™. The evening ends with a fireworks symphony extravaganza – a whole lot of bang and a whole lot of magic!

### PARENTS, PLEASE NOTE: ON-SITE CONVENTION CHILD CARE AVAILABLE!

To accommodate the many families expected to attend the 2004 Convention, AOCA is contracting with a nationally-recognized childcare provider to set up shop right at the Orlando/Orange County Convention Center. This will allow "moms and dads" to attend the trade show and educational sessions while keeping the kids under the same roof! Watch for more details.

## AOCA'S MANAGER TRAINING MANUAL 'CANADIANIZED'

Attendees at upcoming AOCA Manager Training & Certification Courses in Vancouver and Calgary will be the first to review a newly-released section of the Association's training manual. The regulatory compliance section has been re-issued specifically for our Canadian members.

Private courses, sponsored by Pennzoil/Quaker State Canada, will be held in Vancouver on Sept. 29-30 and in Calgary on Oct. 2-3. Rick Price, president of Flagship Auto Center in Wahiawa, Hawaii, will lead the training. In addition, Pennzoil/Quaker State will help host a reception on the first evening of each course for attendees and other area lube operators interested in finding out more about the benefits of AOCA membership. For more information, contact AOCA headquarters.

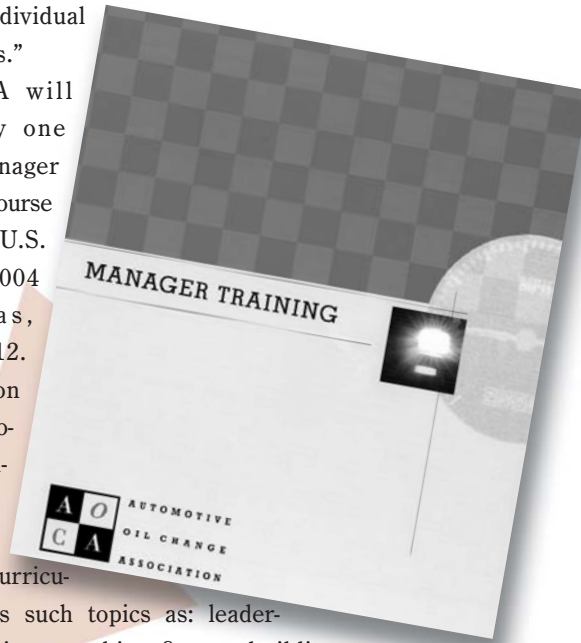
"We're hoping they'll not only get the benefit of training, but also see the value of Association membership," said Rick Morton, Pennzoil/Canada's manager of key installed business. "Often people look at training as a cost, but it's really an investment. This training will boost general business skills as well as

their individual businesses."

AOCA will hold only one more Manager Training course in the U.S. during 2004 in Dallas, Nov. 11-12. In addition to regulatory compliance, the Manager Training curricu-

lum covers such topics as: leadership; training, coaching & team building; finding, hiring & keeping quality employees; service standards & sales techniques; merchandising & advertising; and safety.

Registration fees are \$395 for the first registrant of a company, and \$345 for each additional attendee. Non-member registration fee is \$500. To register, call (800) 331-0329, (972) 458-9468 or email [aoca@aoca.org](mailto:aoca@aoca.org). ■



## LUBE/CARWASH OPERATORS FINALISTS FOR PRESTIGIOUS SBA AWARD

AOCA members Bruce and Dee Arnett of Carnett's Car Washes in Atlanta, Georgia were recognized as finalists for the 2003 Small Business Person of the Year Award during National Small Business Week.

The award is in recognition of the small business community's contribution to the American economy and society. Criteria for the award includes: staying power, growth in number of employees, increase in sales and/or unit volume, current and past financial reports, innovative product or service, response to adversity and evidence of contributions to the community.

Bruce Arnett founded Carnett's with his wife in 1987. The company has grown from 30 employees to close to 400, and is the largest carwash chain in Georgia as well as one of the largest builders and equipment suppliers for carwashes in the Southeast, said a release from International Carwash Association.

The chain, which bills its business as "full service auto appearance centers," not only has thrived within the industry, but also is very active in the Atlanta community supporting schools, churches and civic groups. Carnett's has also gained recognition for modeling environmental responsibility with its water recycling program. ■

## ASSOCIATION BRIEFS

### SAFETY REFRESHER

If safety procedures in your shop have become lax, it's time for a review. AOCA's "Safety in the Lube Center" video provides essential information to assure compliance with OSHA, "Right to Know" and HAZMAT first-day training.

Available in English or Spanish for \$35.

### EDUCATING YOUR CUSTOMERS

A new flyer on "cabin air filters" is currently being designed to add to AOCA's "Street Smart Service Guide" series. The 10 flyers in the series are intended for use as customer education and marketing tools in your shop. They answer such questions as: Why change motor oil? Why change your automatic transmission fluid? and Why have your chassis lubricated?" The colorful flyers are 8" x 3-3/4" with bright graphics on one side, and text on the other. Flyers sell for \$6 per package of 25. For a complete list of service card topics, contact AOCA.

# AOCA-TALK

Featured Discussion Topic:

## TIRE PLUGS

*AOCA-Talk, AOCA's member-only email forum, connects people-with-questions to people-with-answers. In this column, Oil Changing Times highlights topics discussed by AOCA-Talk participants. The featured topic had seven posts in one day; only a portion of two are included here. Comments are edited due to space limitations and to minimize privacy issues.*

**QUESTION:** I recently talked to someone in the tire business who said you should never do a tire plug. It damages the belt and could cause a "blowout." The only repair he recommends is an internal tire patch. Is anyone doing tire plugs? What problems, if any, have you had?

**POST:** I was in the tire business for 14 years. Plugs should be a temporary repair. An internal patch is the preferred repair. The best repair is plug and patch.

**POST:** We still plug a tire, telling the customer it is a temporary repair. We tell the customer that the tire needs a patch to be a permanent fix. Many cars do not have a good spare or one that matches the other wheels. The plug is cheap enough that a customer is willing to go that route to get to a tire store. The tire shops that I respect say that a plug can allow water to get into the steel belts, and cause problems. They say a plug is much better than running a tire with low pressure. We never plug one that has a hole that is not in the tread. I don't "sell" a plug if the customer is able and willing to go to a tire store. The problem is: If the customer is driving on your "plug" when the tire blows - well, you get the picture. ■

Sign up for AOCA-Talk at [www.aoca.org](http://www.aoca.org).

## Ladies Unite for Lube Business Retreat

**T**eam skill-building by day and business strategy by night. That's how organizers of the first Women in the Lube Retreat, held July 30-Aug. 3 in Naples, Florida, described their itinerary. While some men in the industry questioned exactly how spa visits and boat rides around Marco Island supported these objectives, the nine women participants answered, "the same way golf outings would."

The brainchild of Cricket Killingsworth, Heartland Manufacturing Co., Inc. in Wheaton, Illinois, and Sue Ackley, Xpress Lube in St. Louis, Missouri, the retreat was designed as an opportunity for women owners and/or operators of oil change-related businesses across the country to explore with other women better ways of doing business.

"We all learned so much from each other, including new products, better ways of selling some of our products, raising the ticket average, and much more. We had a fabulous experience and plan to do it again," Ackley said. "The last night we each had to share something that would improve our businesses. One idea was selling radiator caps. If a customer has an old radiator cap that isn't sealing properly, we can give them the option of buying a new radiator cap so they won't have to keep topping off their antifreeze."

Cricket confirmed the event's successful mix of business and pleasure. "Several of the ladies left with new ideas regarding services offered in their shops, pricing strategy and training programs for their



**Lube ladies stopped at a Harley shop to discuss oil change services for motorcycles. Management was "receptive to discuss the requirements and even more delighted to see women taking an active role in the industry," participants said.**

employees. The best moments came when each person in the group realized they were able to step away from their business and it would still be there when they returned. Truly it was a wonderful time and very beneficial to all!"

In addition to Cricket and Sue, women attending the retreat were: Vicki Baker and Vicki Bayless, Newton Fast Lube, Newton, Kansas; Bev Cavinder, Oil 'N' Go, Valparaiso, Indiana; Kim Kay and Kilie Mason, Lube Express of Longview; Longview, Texas; Fran Rose, Blairsville, Georgia; and Pat Wirth, Fairfax Station, Virginia.

Planning is already underway for the second annual Women in the Lube Retreat. The next event is expected to be held in Hawaii in late September 2004. Space is limited, so women wanting information about the event should contact Cricket at [cricket@theheartland.com](mailto:cricket@theheartland.com) or Sue at [ackleco@earthlink.net](mailto:ackleco@earthlink.net) ■

# YOU'RE GOING TO COURT

By Steve Bayless

**S**o you've decided not to pay that "frivolous claim." But not so fast, just what will be your actual cost of going to court? Are you doing this for the right reason, or is your decision based on anger and a need to get even? How do you measure goodwill in the community? What will this case cost you after you've won and your ex-customer is telling everyone who will listen what a crook you are!

Still want to go to court? Okay, let's go....

The majority of fast lube service-related cases will be decided in a small claims court. In most states, damage levels are from \$500 to \$3,000; some may go even higher. Generally, attorneys are not permitted in the courtroom for either party. This does not mean your customer won't consult an attorney to get advice on how to present his case. So, be prepared.

And although no attorney will be advocating for you or the plaintiff, court protocol will be followed. While the procedure may be somewhat more lax, certain rules will be enforced.

For example, hearsay evidence will not be allowed. Your customer will not be allowed to testify as to what his mechanic, neighbor, or brother-in-law told him concerning how your service should have been performed. He can, however, subpoena these persons or an expert witness to testify on his behalf.

Thus, it is extremely important that you do your homework. Research the problem. Have documentation and photos, if appropriate. Be able to explain to the court in terms that can be understood by a layperson, because in this circumstance, that's what the judge is.

You need to explain:

1. What the disputed service does for the vehicle.



2. Why the service was recommended, i.e. condition of fluid, manufacturer's recommended service interval, etc.

3. What might have gone wrong, i.e. sub-standard condition of vehicle prior to service, or manufacturing defect as substantiated by manufacturer service bulletins, etc.

4. The possibility of fraud on the part of the customer, i.e. tampering with plugs, seals and fluids.

Try to locate a respected mechanic within the community to testify on your behalf that you followed industry standard protocols.

## IN THE COURTROOM

Come to court with respect in your heart and civility upon your tongue. While the issue between you and your customer may have been very emotional, it's crucial that you leave all that emotion on a shelf at work.

Come to court with self-confidence in the fact you have done your research, you have your witnesses in place, and you will be presenting compelling evidence. The judge will have no choice but to rule in your favor.

**If you don't feel this way, don't go to court! Settle the claim.** The courtroom is no place to "roll the dice." Don't waste the court's, or your, time if you aren't prepared.

Courtroom attire should be a clean, pressed, professional-looking uniform or business casual clothing. There's nothing wrong with a sport coat and tie, or dress for the ladies, either. Shoes should be shined and hands and nails should be clean. The court's first impression of you, through your appearance, is a suggestion of how you run your business.

Regardless of how ugly or obtuse a plaintiff may get, don't fall into the trap of bantering with him in open court. Listen calmly, no matter how degrading or ridiculous the claim. Spend this time thinking how you will professionally rebut the information being presented to the court. Make sure you have a note pad with you so you can record points you want to make when it's your turn to talk.



In summation, do your homework, and come to court prepared. Present your case in a professional manner, don't roll in the mud your customer is throwing, and **"JUSTICE SHALL PREVAIL."** ■

*Steve Bayless, and his wife, Vicki, have been in the fast lube business for 10 years. They own two facilities in Newton, Kansas. Steve has served on the board of directors of the Automotive Oil Change Association for the last six years. He has been in law enforcement as a deputy sheriff for the past 30 years, and currently sits as a municipal court judge.*

## Lube Sales Up in 2002, Says New AOCA Cost of Doing Business Report

**T**he Automotive Oil Change Association recently published its **2003 Cost of Doing Business Report**. The report is the result of an extensive survey of fast lube operations throughout the United States and Canada. AOCA's Report is the most complete, accurate and up-to-date comparative financial performance information about the automotive oil change industry.

The 2003 Report, which utilizes 2002 year-end financial data, is the fifth in a series that began in 1995. The first two surveys were conducted in consecutive years; thereafter, the surveys have been conducted on a biannual basis.

The 2003 information includes a "Trend Analysis" that charts changes over the past few years.

For example, fast lube firms for the year 2000 reported a sales decline of 1.2% compared to 1998. However, numbers are up considerably in this year's report with respondents reporting sales increases averaging 7.8%. The upward trend also was reflected in net profits. In 2000, fast lubes reported net profits before taxes of 3.6%. However, in 2002, that percentage jumped to a very respectable 7.1%.

The 100-page report has comparative data broken down by geographic region, by size of firm based on sales and has a section devoted to the results of high-profit firms. There is also an Executive Summary in which you'll learn that in 2002 a typical fast lube spent 21.4% of its advertising and promotion budget on direct mail, with reminder cards coming in next at 17.6%, followed closely by broadcast media at 16.5%.

Another interesting data point found in the Executive Summary is that high profit firms and the "typical" firm posted very similar numbers in general information categories, such as: total number of bays per lube shop, operating hours per week per shop, number of years in business and credit card discount as a percent of sales. However, compared with the typical firm, high profit firms actually achieved higher sales growth (9.7% vs. 7.8%) and net profit before tax (13.6% vs. 7.1%) while servicing fewer vehicles per lube shop (13,242 vs. 14,069). This is the type of helpful business information you can expect from the AOCA Report.

The goal of the AOCA **Cost of Doing Business Report** is to provide information that will allow oil change operators to better manage their businesses. It is an easy-to-understand, managerially actionable tool with which to evaluate financial condition and pinpoint strengths, weaknesses and improvement opportunities. It is also designed for those looking to invest in this growing segment of the automotive maintenance industry.

Copies of the complete report, along with a confidential individual company profile, were sent to AOCA members who participated in the survey. If you did not participate, you may obtain a copy of the **2003 Cost of Doing Business Report** (individual company profiles are not available to survey non-participants) by calling AOCA at (800) 331-0329. Price is \$65 for AOCA members; non-member cost is \$175. ■



### AOCA SCHOLARSHIP FUND CONTRIBUTORS JULY-AUGUST 2003

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Chistiansburg, VA

# AMERICAN LUBE FAST TV COMMERCIAL WINS GOLD AWARD

**A**n American Lube Fast television spot recently earned the lube's advertising agency a gold award in the Automotive Goods & Services category at the 2003 Aurora Awards Film & Video Competition.

"Time for a Change" is a television spot for American Lube Fast and Super Lube, an Atlanta-based regional chain of auto service centers. The spot is a "slice of life" parody of a young married man who is missing out on family activities because he is always changing the oil in his classic GTO convertible.

After the father pulls no-shows at such monumental events as the birth of the family's new baby, his child's dance

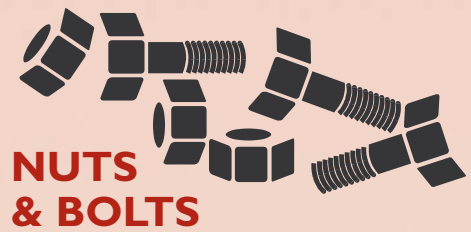
recital and birthday party, the family's golden retriever finally takes action by pulling the man out from under the car. The voiceover asks, "Isn't it Time for a Change?" The man gets the message and the family happily goes off to American Lube Fast for its "Fast, Guaranteed Service – Certified Technicians," etc.

The commercial is airing in Georgia, Florida and Alabama markets. There are 30-second and 60-second versions. The 60-second spot contains a 10-second tag that can be changed to accommodate new promotions and store openings.

Davis Advertising, Inc., the agency that produced the spot, is a small, full service marketing, advertising, and public relations agency located in metro-Atlanta. ■



This storyboard maps out the "Isn't It Time for a Change?" commercial that won a gold award for American Lube Fast's advertising agency.



The AOCA Exhibitor Prospectus and Listing of Sponsorship Opportunities for the 17th Annual Convention & Fast Lube Expo has been mailed. If you did not receive one, please contact AOCA Headquarters.



The 2003-2004 AOCA Membership Directory has been mailed. Please take a moment to browse the useful information it contains. In addition to the fast lube owner/operator roster, the directory includes a roster of associate members with a product/service cross reference, contact information for AOCA board members, staff and committee members, a copy of the Association's bylaws, a description of member benefits, and a list of training opportunities.



What's everyone talking about? Don't procrastinate any longer. Sign up for the latest, greatest AOCA benefit, AOCA-Talk. As of August 15, the members-only fast lube email forum had 216 subscribers. You can enroll at [www.aoca.org](http://www.aoca.org).



AOCA members continue to take steps to ensure the professionalism of the fast lube industry. Year-to-date, 320 individuals have passed the AOCA certification examination for technicians; 61 individuals have passed the AOCA certification examination for managers. Check out this comprehensive, fast lube-specific training.

# Replacing Customers: New Residents Should Rank High on Your List

In a recent address, Jay Siff, an authority on new-mover direct mail, told fast lube owners to be aware of the crucial need for “replacement marketing,” or recruiting fresh replacements for a steadily disappearing customer base. “The growth and economic health of most

stores,” he said, “is far more dependent on replacing lost—or missing-in-action—customers than many fast lube managements realize.” Here are some of the points Siff made:

## WHAT YOU DON'T LOSE COMPETITORS MAY STEAL

Demographers warn that, depending on where you're located, up to 25% of your current customers will disappear within the next 12

months. Many will move away, some will die...and more than we like to think will be disabled, infirmed, unemployed, divorced, evicted, or suffer a serious financial setback. Regardless of the reason, they will surely vanish from your radar! Worse yet, your most aggressive competitors will probably steal away another chunk of your remaining customers. Thus your total “customer inventory” could possibly be shrinking by as much as 25-50% a year.

## NEW MOVERS ARE THE KEY

Unfortunately, when considering how to replenish this loss, most fast lube executives rely too much on “normal” population growth (averaging only about 1-2% per

year) and too little on their own advertising and marketing efforts. If they don't grasp the danger, and fail to fight back vigorously, they'll be lucky to stay in business, much less expand. So what's the solution? The easiest, surest—and smartest—way to counteract this customer-drain attrition is to go after just-moved-in NEW RESIDENTS. If you get to them soon after they've relocated, you'll end up with solid gold.

Focus on these positive facts: New movers are: 1) easily identifiable, 2) fully reachable, 3) ready to embrace change, 4) free of old buying habits, and 5) exquisitely susceptible to warmhearted welcome messages. In short, they are ready for you.

## TARGETED DIRECT MAIL WORKS

The most likely-to-succeed method for attracting new residents, getting them inside your stores, is almost always a persuasive direct mail campaign. The best mailings empathize with the plight of newly moved residents, putting a friendly, caring face on your business.

Most mailings are baited for action with free welcome gifts, discounts, and other offers. Experience has shown that the more “irresistible” and free of restrictions the offer, the better it will work. Foremost, of course, is the offer's real dollar value; paltry rewards beget meager redemptions. In recent years, the mailing's personal touch and credibility have become almost necessary for high response.

Genuinely customized copy and offer—mailed to updated, accurate new mover names and addresses—is essential. The relatively small numbers of these ready-to-spend newcomers required to produce significant sales is often a pleasant surprise to fast lube managements. Small ad budgets often disguise the fact that new resident prospects-turned-customers are worth a great deal more than other consumers. The



# INDUSTRY/MARKET SHARE UPDATE

current cost of the best of such welcome-neighbor mailing packages ranges from \$1-4 each. Redemption rates can be as high as 25%, depending on the offer and creative quality.

## WHAT MOTIVATES NEW RESIDENTS?

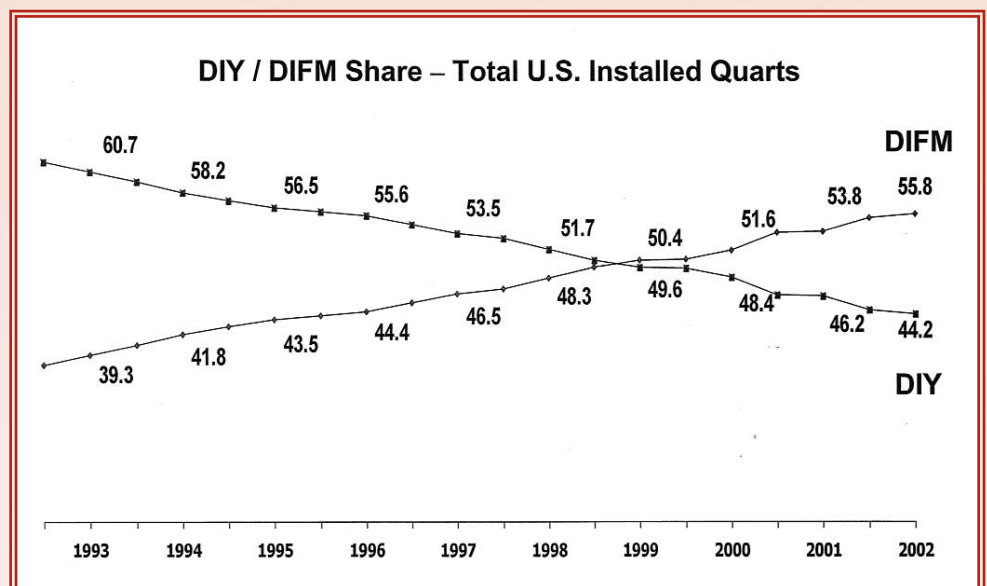
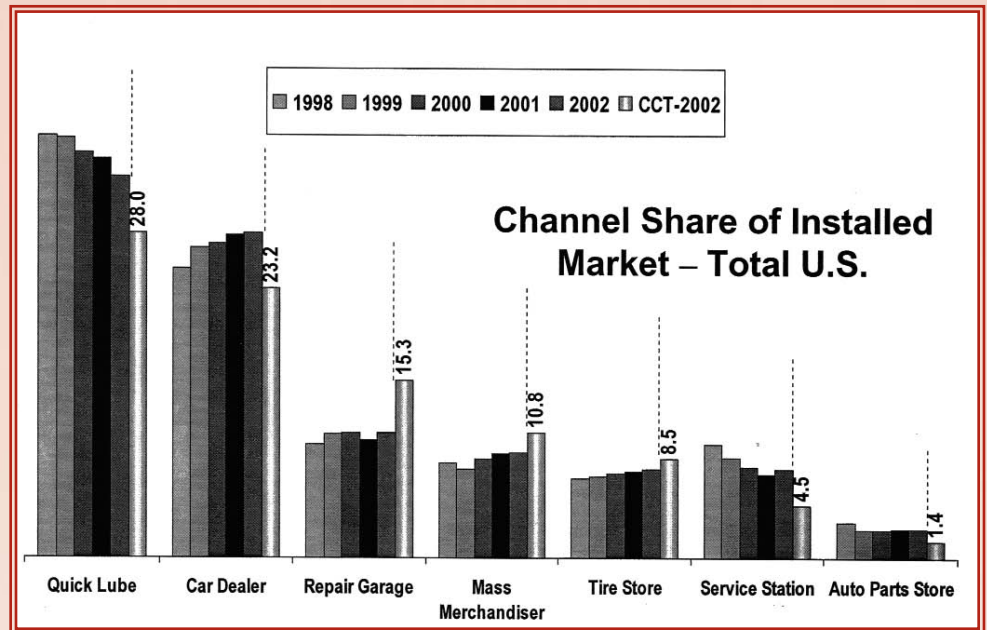
Psychologists tell us that just-moved-in families have a powerful need to replace previously familiar and comfortable “connections”—favorite places to shop, eat, bank, work out, get their hair cut, have fun, buy a computer, have their teeth fixed, or the dog groomed...and, most important to you, **GET THEIR VEHICLE SERVICED!** These modern nomads are motivated to make new friends, build new loyalties, establish new buying habits...to do everything possible to feel as though they “belong” in their new surroundings.

## LOYAL TO THEIR NEW CONNECTIONS

The bottom-line effect of all this is significant. Research reveals that newcomers rank honest auto service as their “most critical need.” Furthermore, it suggests that on average these new neighbors spend 140% more than established residents—and that they are far more loyal, sticking with their “first picks” more than 210% longer than new customers acquired from other sources, and over the long term, five times more likely to become hardcore loyal regulars.

Moreover, if your timing is right and your offer irresistible, it's actually easier to attract prime new-mover prospects than to swipe your competitors' customers. Much less expensive, too—since you're using an advertising rifle (not an inefficient, costly shotgun) to reach strangers in a strange new neighborhood who are willing and eager to buy. They're the best of the best.

Welcome to the world of replacement marketing! ■



Source: AOI (1998-2002) and Car Care Trac (2002)

# Certifications

## MANAGERS

Patrick Muscillo  
Dominick Dagostino  
New Milford, CT

Orlando Cordoves  
Miami Beach, FL

Jason Burrell  
Milledgeville, GA

Michael Allen III  
Edward Rice  
Shawn Hamrick  
John Bohn, Jr.  
James Harvey  
Frederick, MD

Mike Matlosz  
Grand Rapids, MI

Patrick Grams  
Willmar, MN

Ronald Martin  
Lebanon, MO

Matthew Romeo  
Apex, NC

Manny Mueller  
Cory Weeks  
Corrado Introna  
Eric Rooke  
Cranford, NJ

Timothy Firlein  
West Chester, PA

Edwin Gibson  
Keith Baumbach  
Willow Grove, PA

Craig Moore, Jr.  
John Seybold  
West Chester, PA

Pieter Koehl  
Blooming Glen, PA

Keith Chumbley  
Christiansburg, VA

Mike Jabe  
Chester, VA

## TECHNICIANS

Raul Arreola, Jr.  
Peter Coffin  
Frederick Franklin, Jr.  
Christopher Moser  
Christopher Pollock  
Roger Starks  
Pleasanton, CA

Michael Leone  
New Port Richey, FL

Frank Malino  
Chris Miramonte  
Michael Slane  
Orlando, FL

Peter Faucher  
Jason Funderburg  
Coeur d'Alene, ID

Landon DaPrile  
Blake Ebner  
Jon Klemz  
Joe Luchene  
Chris Lynn  
Jared Nunley  
Tim Piet  
Jason Robinson  
Danielle Swacker  
Christopher Tebbens  
Timothy Zulich  
Valparaiso, IN  
Raymond Ruiz  
Great Bend, KS

Crystal Bell  
Robert Brooks  
Nolan Cortez  
Jared Godley  
Jessica Greene  
Christopher Hammer  
Trent Tullier  
Chris Williams  
Metairie, LA

David Alford  
Thomas Dasch, Jr.  
Thomas Gordon  
Shawn Hamrick  
Jonathan Kunkler  
Wilbur Maynard  
Edward Rice  
Paul Taylor  
Jason Warfield  
Frederick, MD

Charlie Dinges  
Ryan Fravel  
Winona, MN  
Tony Werner  
Hastings, MN  
Doug Lindsey  
Henderson, NV  
David Borkenhagen  
Mike Bovino  
Christopher Burkett  
Gerrienne Coty  
Jeff Pusateri  
Gilberto Santos  
Ronald Sigeti  
BRichard Stilson  
Matthew Strasser  
Buffalo, NY

David Barlow  
Vermilion, OH

Robert Miller  
Massillon, OH

Matthew Bradshaw  
Tulsa, OK

Shawn Hoffman  
Geoffrey McGee  
Stillwater, OK

William Coy  
Shippensburg, PA

Cody Dailey  
Lubbock, TX

Rafael Frontaura  
Eric McGarrah  
Randy Monjeau  
San Antonio, TX

Joel Gutierrez  
Midland, TX

Joe Hernandez  
Sealy, TX

Michael Tilley  
Weatherford, TX

Sean Hinchey  
Gerald Mitchell  
Chester, VA

David Perry  
Justin Webster  
Winchester, VA

Timothy Gibbs  
Norwich, VT

Donald Routh  
Poulsbo, WA

Ashley Baeseman  
Tim Merklein  
Ryan Sawitzke  
Alex Zeka  
Wausau, WI

Justin Hall  
Calgary, AB CANADA

Warren Barnett  
Waterloo, ON CANADA

# New Members

BeLinda Crawford  
Kwik Kar Lube & Tune  
Hot Springs, AR

Robert Auernheimer  
Texaco Xpress Lube - Reedley  
Reedley, CA

Adam Scattini  
Paso Robles, CA

Lawrence Wallace  
Loveland Lube Depot  
Fort Collins, CO

Francine Rose  
Fast Lane Oil Change  
Blairsville, GA

Don Breaux  
Don's Quick Lube  
Lake Charles, LA

Don & Rebecca Campbell  
Mobile Lube, Inc.  
Rockport, MA

Randy Clevenger  
R & J Petroleum  
O Fallon, MO

Kevon Zehner  
Fastrack Oil Change  
Cedar Hill, MO

Ken Mattison  
Sparks, NV

Wayne Watson  
Valvoline Express Care  
Cambridge, OH

Joe Bordonaro  
Kwik Kar at Champions  
Spring, TX

Brad Brooks  
Kyle Express Care  
Kyle, TX

Aaron Porter  
Fast Oil & Lube  
Tyler, TX

Bruce Strickland  
Speedee Oil Change & Tune Up  
Carrollton, TX

Rick Wehbe  
Auto Excel Lube & Car Wash  
Fort Worth, TX

Sean Krassman  
The Oil Drop  
Calgary, AB CANADA

Jeremy & Jennifer Thompson  
Lube-X  
Medicine Hat, AB CANADA